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America's Coöperation in European Rehabilitation Primarily Dependent on Europe

By JAMES SPEYER

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I TAKE it for granted, that by America's coöperation, is not meant political or military coöperation, unconditional or contingent, because every one knows that our people have expressed, on that subject, very decided views, which later developments have not tended to modify. By coöperation, therefore, I assume, is meant American financial and economic assistance.

We are naturally concerned in the improvement of conditions abroad, inasmuch as we are a buyer and seller on a large scale in international markets, and are interested in outlets for our great natural resources, surplus crops and increasing output of manufactured goods. The importance of foreign commerce to us should not, however, be exaggerated. Our entire foreign trade before the War is estimated at about 10 per cent of our total trade, and it is doubtful whether, with Europe impoverished by the War, our foreign commerce for some time could be relatively as important as before the War. We are not dependent upon foreign markets for feeding our population or for keeping our industries fairly well occupied. Undoubtedly, foreign commerce materially enhances our prosperity, and for this reason, if for no other, we follow with sympathetic interest every effort or suggestion for better trade conditions abroad which might result in increased purchasing power of Europe. This should not, however, justify us in embarking upon any scheme of European coöperation which involves unnecessary entanglements for us.

COÖPERATION IN EUROPE, FIRST STEP

European nations have made some progress towards recovery since the War and their history after previous wars justifies the belief that, even if left entirely to themselves, they, with their man power, resources, industrial training and colonial possessions will work out, in time, their own salvation, provided they work together as partners in the common enterprise of Europe's rehabilitation.

Any effort on our part towards this end must prove abortive, until the European nations, among themselves, actually give proof of that real coöperation, which, unfortunately, seems lacking today. Apparently some nations do not yet desire, or at least are not making a determined effort, to rehabilitate their neighbors. As a well-known Englishman has said, every country is trying to collect from every other, without paying what it owes to any other. After having "waged war" for four years, these nations have ever since been "waging peace." This is not an exaggerated statement in view of what has been going on at Genoa.

Only small beginnings have been made at revision of the peace treaties, which cut up Central Europe into new entities, regardless of long-established economic relationships and units. The practical exclusion of Russia and the insistence on an indemnity from Germany, which Mr. Keynes and other independent experts consider beyond her capacity to pay, remain the greatest stumbling blocks to rehabilitation, and

these can be removed only by the European nations themselves.

Great Britain is the country in Europe that first realized the importance of balancing her own budget and paying her debts and of the political and economic problems confronting the world. Her representatives are also seeking in a spirit of fairness and common sense, which is their characteristic, to convince other nations that jealousies and hatreds must be put aside in the endeavor to restore normal conditions and international trade. Let us hope these ideas will in time prevail and find expression through mutual accommodation and greater good will.

AMERICAN GOOD WILL

In the meantime, America has given abundant expression of good will towards Europe. I do not wish to discuss here the help extended in altruistic spirit to the suffering nations during the War and since, both by our government and by Americans as individuals, and particularly through the Quaker organization, or to draw up a balance sheet for moral obligations between Europe and ourselves. Unfortunately, however, one thing stands out, namely, that American moderation and unselfishness throughout this period, and particularly at Versailles, have not been taken as an example by European statesmen generally. This has caused keen disappointment among our people and some reluctance to coöperate.

Some efforts are still being made by auto-suggestion, or otherwise, to have it appear that somehow we ought to cancel the debts which foreign nations owe to us. At times, the argument is based on moral grounds and, again, on the inability of European countries to pay. I do not claim to be an expert in any of these matters. Some time

ago, Senator Owen, on returning from a trip to Europe, expressed the opinion that our foreign debtors would be well able to pay in full. There is every reason, however, why our government should not be too exacting and why it should adjust both interest and time of payment in a liberal spirit and in accordance with the financial circumstances of each debtor nation.

There are other steps which our government might take in order to help Europe. As has been urged by others, private property seized by our government as a war measure should be restored to the owners for productive and stimulating use. Our mercantile marine should be put in a position to help in quickening commercial intercourse.

One thing, it seems to me, our government should *not* do at this time, and that is, raise a tariff wall against the importation of goods from Europe. To do so would necessarily retard the rehabilitation of Europe and reduce the ability of European nations to purchase in our markets. A prohibitive tariff is, therefore, not in our mutual interests.

COÖPERATION THROUGH AMERICAN CAPITAL

While direct assistance and coöperation on the part of our government must necessarily be limited, there is no reason why coöperation through private effort along established lines should not continue on an increasing scale. I refer, particularly, to the granting of credit by our banks and bankers, and the purchase of foreign securities by investors. This is a practical business, and a very effective way to improve trade and exchange for countries deserving help, and does not compromise the financial position of our government or its just claims against foreign nations.

It would add to our contribution

towards European recovery, if, before placing large European loans in this country, our bankers would carefully examine the security offered, and discriminate against nations which are not making a real effort towards rehabilitation by balancing their budgets through decreased expenditures and increased taxes, and, particularly, against nations which are likely to use, directly or indirectly, moneys obtained from us, or money due and not paid to us, for maintaining large standing armies and navies, which will always be a menace to the peace of the world.

LESSON OF THE CIVIL WAR

In conclusion: It is just about sixty years since this country was engaged in civil war which left the South, particularly, without resources and more prostrate than any part of Europe is today, and the whole country with a depreciated currency. British, Dutch and German investors then saw their opportunity, and contributed capital to build our railroads and develop our natural resources. While the situation is, of course, not strictly parallel, we

might well profit by their example. European nations, too, might profit by the example of what we did ourselves after our Civil War. The great majority of our people, North and South, went to work with a will and with the determination to forget and forgive. I take the liberty of reminding European nations of the words of Lincoln: "With malice towards none, with charity for all," and of the words of General Grant, after victory, "Let us have peace." If European nations will act toward one another in the spirit of these great Americans, they will find America more ready than ever to coöperate with Europe in a large and generous American way.

While our coöperation would be very valuable, it is not indispensable to the rehabilitation of Europe, nor is the rehabilitation of Europe indispensable to our progress; both would be materially aided and hastened by coöperation. In our efforts at coöperation, we must naturally put America first, but in doing so, Europe will find, as President Harding has said, that "America first, does not mean America selfish."

America's Coöperation a Prerequisite to European Rehabilitation

By SILAS H. STRAWN

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THE people of the United States have three interests in Europe, each of equal importance. We are desirous (1) that peace shall prevail; (2) that some disposition shall be made of the debts which the European countries owe us, and (3) that our foreign trade

shall be preserved and promoted. These subjects are also of vital interest to the European nations. Let us consider them in the order named.

PEACE

We must have peace. No argument is necessary to demonstrate the truth of this proposition. Law and order, and confidence in the stability of government, are conditions precedent

¹ Mr. Strawn was a member of the Chamber of Commerce Committee which went to Central Europe last summer to make a thorough study of conditions there.—C. L. K. Editor.